

Chapter 6

HEALTH AND LIFE INSURANCE

Before you leave military service, you will need to arrange for health insurance to protect you and your family.

A. Insurance Planning Is Critical

Most people leaving the military go on to get civilian jobs that provide health insurance. The result is continuous coverage.

Sometimes, however, there is a gap between the time your Service-provided coverage ends and your new employer's coverage begins. During this time, you alone will be responsible for paying all the medical bills that you and your family might acquire. This could be devastating. A one-day stay in the hospital could cost thousands of dollars!

Fortunately, several strategies and resources are available to ensure continuous, comprehensive, quality health care for you and your family. Your options will be explained to you during your appointment at your Transition Office. For specific health insurance questions, call the Health Benefits Advisor at your military medical treatment facility.

Expecting a Baby?

If you and your spouse are having a baby, make sure your insurance covers the infant from the date of birth, as opposed to 12 or 13 days after birth. Medical expenses within these first two critical weeks can be costly and should be covered.

Expecting parents should meet with their local Health Benefits Advisor early in the transition process to get additional information regarding health care and health insurance for the period following the Service member's separation. Expectant Service members who separate from the military prior to delivery may deliver the child in a military treatment facility after separation. Again, check with your local Health Benefits Advisor before you separate to see if you are eligible for this benefit.

The VA: What Vets Get

The Department of Veterans Affairs (VA) is responsible for ensuring that you receive the care, support, and recognition that you have earned. You may be eligible for the following veterans' benefits:

- Medical care
- Disability compensation
- Education

- Insurance
- Loan guaranty
- Programs and benefits for certain qualified members of your family

If you are unable to visit a VA counselor at your installation, call the nearest VA regional office at the toll-free number listed below. A Veterans Benefits Counselor will be happy to provide information about specific benefits and how to file a claim.

Call your VA regional office toll free at 1-800-827-1000. Visit the Web site at <http://www.va.gov>.

B. "Check Up" on Your Health Before You Leave

While you are in the Service, you and your family have health care coverage. The range of health care services is vast, yet your out-of-pocket expense is minimal. Use this time wisely and make an appointment early! Remember:

- **Get a physical:** If military treatment facilities, personnel resources, and local policy permit, you and your family members should arrange for your separation physicals as early as possible. If problems are found, they can be treated while your medical expenses are still fully covered by the Service. Take care of as much as you can prior to separation.
- **Get your records:** Even if you are in good health, get a copy (certified, if possible) of your medical records from your usual medical treatment facility. These records will provide useful background information to the health care professionals who will assist you in your upcoming civilian life. Your military health records will be transferred (with your consent) to the VA regional office nearest your separation address.

C. Transitional Health Care for You and Your Family

Eligible Involuntary, SSB, and VSI Separatees

If you are separating involuntarily and are eligible, or are separating through the Special Separation Benefit (SSB) or Voluntary Separation Incentive (VSI) programs, your transitional health care system looks like this:

- **While you are in the Service:** You and your family are covered while you are in the Service. This is your last opportunity to take care of any health issues at little or no cost.
- **After you separate:** You and your family are authorized to use military treatment facilities at a slightly lower priority, or you may use TRICARE. You have the same priority as family members of active duty personnel. This is the initial part of your transitional health care.

— If you served fewer than six years, you will receive 60 days of transitional health care.

— If you served six years or more, you will receive 120 days of transitional health care.

Note: Transitional health care does not apply to retirees.

TRICARE

During the 60-/120-day period, eligible members may choose to use TRICARE, a program, which uses civilian medical facilities.

The Health Benefits Advisor [or Beneficiary Counseling and Assistance Coordinators (BCAC)] at your local military facility is your best source of TRICARE information. This information is summarized in the **TRICARE Standard Handbook**, also available from your Health Benefits Advisor.

- **Once your initial transitional health care ends:** After this 60-/120-day period, you and your family are no longer eligible to use military treatment facilities or TRICARE. However, you may purchase health care coverage, known as the Continued Health Care Benefit Program (CHCBP). You have 60 days after your initial transitional health care ends to enroll in CHCBP.

You and your family members will be issued overstamped identification cards that allow you to use military treatment facilities after your separation. The cards will be marked with the dates you are eligible for transitional health care as well as other benefits such as the commissary, base/post exchange, and morale, welfare, and recreation facilities usage.

You can learn more about TRICARE at <http://www.tricare.osd.mil>.

All Others

If you separate voluntarily without SSB or VSI, you and your family are not eligible to use military treatment facilities or TRICARE. However, you may purchase extended transitional health care coverage (CHCBP) for up to 18 months of coverage. You have 60 days after separation to enroll in CHCBP. Your coverage will start the day after your separation.

D. CHCBP: Your Option to Purchase Temporary Medical Coverage

Following the loss of entitlement to military medical benefits, you may apply for temporary, transitional medical coverage under the Continued Health Care Benefit Program (CHCBP). CHCBP is a premium-based health care program providing medical coverage to a select group of former military beneficiaries. CHCBP is similar to, but not part of, TRICARE. The CHCBP program began on October 1, 1994, and extends health care coverage to the following individuals when they lose military benefits:

- The Service Member (who can also enroll his or her family members)
- Certain unmarried former spouses
- Children who lose military coverage

DoD has contracted with Humana Military Healthcare Services, Inc. to help us administer the CHCBP. You may contact Humana Military Healthcare Services, Inc., in writing or by phone for any information regarding CHCBP. This includes your eligibility for enrolling in the program, to request a copy of the CHCBP enrollment application, to obtain information regarding the health care benefits that are available to CHCBP enrollees, and to obtain information regarding the premiums and out-of-pocket costs once you are enrolled.

Humana Military Healthcare Services, Inc.
Attn: CHCBP
P.O. Box 740072
Louisville, KY 40201
1-800-444-5445

A copy of the CHCBP enrollment application can also be found on the web at <http://www.tricare.osd.mil> and <http://www.humana-military.com>.

CHCBP Basics

- **Continuous coverage:** CHCBP can act as a “bridge” between your military health benefits and your new job’s medical benefits, so you and your family will receive continuous medical coverage. It is a health care program intended to provide you with continuous health care coverage on a temporary basis following your loss of military benefits.
- **Preexisting condition coverage:** If you purchase this conversion health care plan, CHCBP may entitle you to coverage for preexisting conditions often not covered by a new employer’s benefit plan.
- **Benefits:** The CHCBP benefits are comparable to the TRICARE Standard benefits.

Enrollment and Coverage

Eligible beneficiaries must enroll in CHCBP within 60 days following the loss of entitlement to the Military Health System. To enroll, you will be required to submit:

- A completed CHCBP Enrollment Application form (DD Form 2837)
- Documentation as requested on the enrollment form, e.g., DD-214—Certificate of Release or Discharge from Active Duty; final divorce decree; DD1173—Uniformed Services ID Card. Additional information and documentation may be required to confirm an applicant's eligibility for CHCBP.
- A premium payment for the first 90-days of health coverage

The premium rates are \$933 per quarter for individuals and \$1,996 per quarter for families. Humana Military Healthcare Services, Inc. will bill you for subsequent quarterly premiums through your period of eligibility once you are enrolled.

The program uses existing TRICARE providers and follows most of the rules and procedures of the TRICARE Standard program.

Depending on the beneficiary category, CHCBP coverage is limited to either 18 or 36 months. Eligibility periods are:

- 18 months for separating Service Members and their families
- 36 months for others who are eligible (in some cases, unremarried former spouses may continue coverage beyond 36 months if they meet certain criteria)

You may not select the effective date of coverage under CHCBP. For all enrollees, CHCBP coverage must be effective on the day after you lose military benefits.

CHCBP Is Optional

You are not required to purchase this health care coverage. Participation in the CHCBP program is completely optional. However, enrollment in CHCBP may be in your best interest. Investigate it closely.

For more information about CHCBP, write to Humana Military Healthcare Services, Inc., visit their website at <http://www.humana-military.com> or call their toll-free line at 1-800-444-5445.

E. Medical Care Overview

DoD has embarked on a health program, called TRICARE, which will improve the quality, cost, and accessibility of medical care for DoD beneficiaries. TRICARE is not to be confused with CHCBP. Check with your Health Benefits Advisor for information on both programs. Check out and visit <http://www.tricare.osd.mil> for detailed information on TRICARE

Options

TRICARE offers beneficiaries three options in obtaining medical care.

1. **TRICARE Prime:** This is a health maintenance organization-type managed care program in which retirees are required to pay an annual enrollment fee. Enrollees are assigned a primary care manager, who determines the most appropriate, available source of care—either a military treatment facility or a civilian network provider. Enrollees pay little or no copayment, and usually are not required to file claims for their care.
2. **TRICARE Extra:** This is a preferred provider organization-type program, in which beneficiaries are not required to enroll. They will, however, receive reduced copayments if they use networks of approved providers.
3. **TRICARE Standard:** This is the basic TRICARE health option, for which beneficiaries have annual deductible and cost share requirement.

Gulf War Illnesses

If you served in the Gulf War, the Office of the Special Assistant for Gulf War Illnesses has established a website at <http://www.gulflink.osd.mil/> to provide information to you. In addition to the Web site, you may also call the Gulf War/Agent Orange Hotline at 1-800-749-8387 for additional information.

Separating Personnel

For personnel who are separating, TRICARE is only available during the 60 or 120 days of transitional health care coverage authorized via the Transitional Assistance Program. During this period of eligibility, beneficiaries may obtain care at DoD military treatment facilities or via the TRICARE Extra or TRICARE Standard options.

Retirees

Retirees are eligible for all three options listed above. Beneficiaries should contact Health Benefits Advisors/BCACs at MTFs or TRICARE Service Centers. Retirees should contact their Health Benefits Advisor to check availability of coverage for the area in which they intend to locate.

F. VA Medical Care

Recent legislation has changed the eligibility requirements for VA medical care. In some cases, veterans and their families may still be eligible to receive medical benefits through the VA. However, the VA's medical care system is set up to provide quality medical care to those who need it most and can afford it least.

This means that the least fortunate veterans may receive unlimited medical care at no cost. On the other hand, most veterans will find their VA medical benefits are limited. Therefore, these "typical" veterans should *not* rely on the VA as their sole source of medical services.

Who Is Eligible?

Basically, there are two categories of eligibility for VA hospital and nursing home care. For specific information, call the VA regional office in your area.

1. **Mandatory:** Some veterans are in the mandatory category. If you fall under this category, the VA must provide you with hospital care and may provide you with nursing home care if space and resources are available. You are included in the mandatory care category if any of the following conditions apply:
 - You are rated by the VA as having a service- connected disability (**page 69**).
 - You were exposed to herbicides while serving in Vietnam.

- You have a health problem related to service in the Persian Gulf.
- Your income is below the annually adjusted income limit.

Other veterans are eligible for mandatory care, including former prisoners of war and veterans exposed to ionizing radiation during atmospheric testing of atomic devices.

2. **Discretionary:** Most veterans are not included in any of the criteria under the mandatory category; therefore, they fall within the discretionary category. Veterans in this category must agree to pay some of the costs, such as a copayment equal to the deductible for Medicare patients. If you fall under this category, the VA may provide you with hospital care and may provide you with nursing home care. For example:

- If you have a non-service-connected medical condition that requires hospital care

AND

- If bed space and resources are available

AND

- If you are above the current income limit

AND

- If you agree to make a copayment

THEN

- The VA may provide hospital and nursing home care.

Disabled Veterans

The VA makes an important distinction among veterans with disabilities. Veterans whose disability is service connected fall under the mandatory classification of VA medical care. Veterans whose disability is non-service connected fall under the discretionary classification. For more information, **see chapter 9.**

Family Members and Survivors

The VA may provide medical care for the children and spouse of a veteran with a service-connected disability, even after the veteran's death. For information, see the section on CHAMPVA (**page 70**).

Lower Income Veterans

Lower income veterans receive benefits similar to those in the mandatory classification. Contact the VA for details.

G. Dental Care

Dental care is distinct from medical care. As a result, the types and amounts of coverage are different, as noted below.

- **Before you separate:** Early in your transition process, you and your family should have routine dental checkups. You should also ensure that your family members obtain necessary treatment under the TRICARE Family Member Dental Plan prior to your expiration of eligibility for the program. If problems are found early enough, work can be completed prior to separation, at little or no cost to you. Emergencies will also be taken care of until your separation.
- **Shortly after you separate:** The VA provides one-time dental care for veterans if you apply within 90 days after separation. However, you will not receive dental care if the military provided a dental examination and treatment within 90 days prior to your separation.
- **New programs:** Congress has directed the implementation of two new dental programs to provide dental coverage for selected reservists and military retirees. These new programs are:
 1. **Selected Reserve Dental Program:** This program will provide a dental insurance plan for members of the Selected Reserve of the Ready Reserve in which premium costs will be shared between DoD and the Reserve member. The program will feature a basic dental benefit, to include diagnostic services, preventative services, basic restorative services, and emergency oral examination. For members separating from active duty and potentially considering becoming a Reserve member, you should investigate this alternative dental program. The program's congresssionally mandated start date was October 1, 1997. On February 1, 2001, the Selective Reserve Dental Program and the Active Duty Family program were consolidated into one program to be administered by United Concordia. Beneficiaries should consult the TRICARE web site <http://www.tricare.osd.mil/> for the latest information or call 1-800-866-8499.
 2. **Retiree Dental Program (RDP):** RDP will also make available a premium-based dental insurance program for military retirees, members of the Retired Reserve receiving retired pay, unremarried surviving spouses, and dependents. Eligible beneficiaries will pay the full cost of the dental insurance coverage. RDP will feature a basic dental care and treatment, to include diagnostic services, preventative services, basic restorative services, endodontics, surgical services, and emergency services. Retiring members should explore this program, depending on their future employer's health benefits package. The program's start date was October 1, 1997 as mandated by Congress.

- **Following separation:** You will need to obtain dental insurance from your new employer or through a private insurer.

Many fraternal associations provide access to group life, health, and dental insurance at competitive rates. Be sure to give them a call.

DELTA Dental terminates upon separation from the Service. To learn more about your entitlement to dental care, contact your VA regional office. For more information regarding the Retiree Dental Program: consult the TRICARE web site <http://www.tricare.osd.mil/> or call 1-888-336-3260.

- **Retirees:** You should check with your local military dental facility regarding dental services.

H. Life Insurance Needs Your Attention

During your transition you should give careful consideration to your life insurance needs.

- **Shortly after you separate:** Servicemen's Group Life Insurance (SGLI) will continue to cover you for the first 120 days after your separation, just as if you were still in uniform.
- **After your separation coverage ends:** Following expiration of your coverage extension under your SGLI, you must make your own arrangements for life insurance. One option is Veterans' Group Life Insurance (VGLI), offered by the VA.

Veterans' Group Life Insurance

Shortly after your discharge, you will be given the opportunity to convert your SGLI to VGLI. You can obtain coverage in increments of \$10,000, up to the amount of your SGLI but not to exceed \$250,000. You can make the conversion up to 120 days after your separation. The insurance becomes effective on the 121st day.

VGLI is five-year renewable term insurance. That is, you can renew your VGLI policy every five years. At the end of the fifth year, you are guaranteed the right to convert your policy to a commercial insurer regardless of your health, or renew your policy for another five-year period. This is important, since many insurers will not cover you if you have a preexisting condition. You can convert to any participating insurer licensed to do business in your state.

The VGLI program is administered by the Office of Servicemen's Group Life Insurance. For information, write to:

Office of Servicemen's Group Life Insurance
213 Washington Street
Newark, NJ 07102

You can download VGLI application forms and get more information by visiting the VA website at <http://www.insurance.va.gov/sglivgli/vgli%20faq.htm>.

What to Look for in a Life Insurance Policy

Explore the various life insurance options, including those offered by VGLI. By checking each, you will be able to pick what is best for you. When shopping for life insurance, the program you choose should pay:

- Funeral expenses and related bills
- Debts or loans owed by the insured person at the time of death
- Lost earnings

Lost earnings means what the person would have made over the rest of his or her working life had he or she not died. There are a variety of ways to calculate lost earnings. For example: The sole wage-earner for a family of four dies at age 45. He made \$30,000 a year at the time of his death. Because the household has been reduced from four to three, three-fourths (75 percent) of his income needs to be replaced for 20 years (when he would have turned age 65). This method shows lost earnings which need to be recovered through insurance as \$450,000: $75\% \times (\$30,000 \times 20 \text{ years}) = \$450,000$.